Pub. Ser. AF8.2:M319

UMASS/AMHERST

312066 0269 6934 4

MANUAL OF PURCHASING POLICIES

U OF MASS/AMHERST LIB.

THE COMMONWEALTH OF MASSACHUSETTS
Purchasing Agent's Division
July 1, 1973

July 1, 1973

PREFACE

This Manual has been prepared for your guidance in matters pertaining to the purchasing of materials, supplies, equipment, printing, etc. It is designed to acquaint you with the policies of the State Purchasing Agent based upon the laws of the Commonwealth of Massachusetts. The information set forth herein should be of mutual assistance to you and the Purchasing Agent's Division.

The years of experience and the wealth of purchasing know-how represented by the staff of the Purchasing Agent's Division is always available to you on an advisory basis. In the management of the various state agencies, there will inevitably arise problems and complexities in some area of purchasing where expert advice would be an invaluable aid in the solution of such problems. Therefore, feel free to call upon the staff of the Purchasing Agent's Division for such help and assistance as it is competent to render.

ALFRED C. HOLLAND

Alfred C. Holland

State Purchasing Agent

JOSEPH SILVANO

Joseph Silvano

Deputy Purchasing Agent

Publication of this Document Approved by Alfred C. Holland, State Purchasing Agent.

PAD15A - 2500 - 4 - 74 - D849414

Estimated Cost Per Copy: $.22

PURCHASING AGENT'S DIVISION

ALFRED C. HOLLAND
State Purchasing Agent

JOSEPH SILVANO
Deputy Purchasing Agent

JOSEPH M. SHERRIFF
Director of Collective Purchasing

JAMES R. DONCASTER, CPPO
Power Plant Supervisor

ARTHUR F. SWEENEY
Supervising Transportation Analyst

FREDERICK SCHULTZ
Chief of Laboratory

LAWRENCE J. FITZGERALD
Supervisor of Buyers

ROBERT E. PLEAU, Head Buyer
LOUISE A. OLIVER, Head Buyer
JOSEPH F. COSTA, Head Buyer
ROSALIE P. MACKLE, Head Buyer
DOROTHY A. SHANNON, Head Buyer, Printing

INA R. MAHONEY, Principal Buyer
HELEN A. COLEMAN, Principal Buyer

ETHEL M. GALLAGHER, Buyer
MARY M. CONNORS, Buyer
JENNIE IANTOSCA, Buyer
ANN I. BROWN, Buyer
CATHERINE O'CONNELL, Buyer

BILL KULIK, Semi-Senior Accountant
JOHN SHIELDS, Chief Storekeeper
JOHN DACEY, State House Postmaster
JOHN DiANGELIS, Pharmacist

TABLE OF CONTENTS

Preface 1

Purchasing Agent's Division 2

Table of Contents 3

Blanket Contracts 4

Purchasing Agent's Supply Division 4

Printing 4

Correctional Institutions 4

Commission for the Blind 4

Collective Purchasing 5

Items under One Hundred Dollars 5

Emergency Purchases 5

Other Purchases with Special Permission 5

Specific Items 6

Competition 8

Persons Not Eligible to Make Contracts 8

Specialized Services Provided by Purchasing Agent
- Typewriter Repairs 9
- Heat and Other Plant Operation 9
- Central Mailing Room 9
- Motor Vehicles 9
- Travel Rules and Regulations 9
- Testing Laboratory 10

Surplus Materials and Supplies 10

Preparation of Purchasing Forms 10

Standards and Preferences 10

Advice to Prospective State Vendors 11

Dissemination of Information 11

Under the laws of the Commonwealth, thc State Purchasing Agent is charged with the purchasc of all materials, supplies, and printing for the State Ageneies. Materials and supplies include items uscd in forcc aecount work (eonstruction or repair work, etc., performed by ageney personnel), equipmcnt and furnishings.

Blanket Contracts

Sinee many of the items purehased are used in common by many Statc Ageneies, eontraets are entered into with suppliers to furnish certain of these items at definite priees, eovering eertain specified periods of time. This type of eontract is usually referred to as a "Blanket" eontraet.

Blanket eontraets are in two categories:

1. A Blanket eontraet is awarded to a supplier for eertain item (s), and agencies are notified by eireular letter to plaee departmental purchase orders with the supplier via the Comptroller's Division;
2. A Blanket eontraet is awarded to a supplier for eertain item(s), and the agencies are required to submit their requisitions for these items to the Purehasing Agent's Division.

Purchasing Agent's Supply Division

The State Purchasing Agent maintains in Room 2, State House, a Purehasing Agent's Supply Division which stoeks offiee supplies and standard forms used in the State's aeeounting system. Lists of thcse items have been furnished all State Agencies. To obtain any of these items, requisitions must be submitted to the Purehasing Agent's Division.

Printing

The State Purehasing Agent also maintains in Room 15A, State House, a printing division. All printing, including paper used for printing, must be requisitioned through this division. In connection with printing, your attention is directed to a section which appears in the Annual Appropriation Acts, and whieh provides as follows:

"No ageney of the Commonwealth receiving an appropriation under seetion two of this aet shall make any expenditure for any doeument regularly printed, mimeographed or prepared in any other way, whether for outside or interdepartmental eirculation unless publieation of such doeument shall have been approved by the State Purchasing Agent."

Correctional Institutions

Under our state laws, there are eertain items whieh the State Ageneies are required to purehase from the Institution Industries of the Department of Correction. This Department, with headquarters loeated at 100 Cambridge Street, Boston, has issued a eatalogue showing the items whieh are available. Departmental Purchase Orders will be issued for these items to the Department of Correetion (Industries) via the Comptroller's Division.

Commission for the Blind

State Ageneies are required by law to purehase eertain items from the Commission for the Blind. This division's main office is loeated at 39 Boylston Street Boston. They have published a catalogue of available items. Departmental Purehase Orders will be issued for these items to the Commission for the Blind via the Comptroller's Division.

Collective Purchasing

There is established within the Purchasing Agent's Division a Collective Purchasing Bureau whose duty it is to implement the Collective Purchasing Act, Chapter 7, Sections 22A and 22B of the General Laws of Massachusetts as amended by Chapter 720 of the Acts of 1973, which authorizes cities, towns, districts, counties, or authorities, hereinafter called political subdivisions to participate in state contracts. Accordingly, any political subdivision may purchase items under state contracts at the same unit prices as the Commonwealth of Massachusetts. Unless otherwise indicated on the vendors bid, it will be assumed bidders will agree to accept purchase orders from political subdivisions as stated above.

• • • • • • • • • • • •

The State Purchasing Agent has found it necessary, in certain instances, to permit State Agencies to make purchases without submitting requisitions to him, in cases not including "blanket" contracts, printing or paper used in printing, or for the Purchasing Agent's Supply Division. These are as follows:

(a) Items Under One Hundred Dollars

A state agency, where an individual purchase is **less than a total cost of one hundred dollars**, may make a purchase directly. As is pointed out above, this does not include:

(1) Items which are covered under "Blanket" contracts
(2) Items which are stocked by the Purchasing Agent's Supply Division.
(3) Printing or the paper for printing (Agency must contact Printing Office for confirmation of approved vendor before placing Departmental Purchase Order.)
(4) Items sold by the Department of Correction Industries
(5) Items sold by the Commission for the Blind

This authority does not permit the purchase of the same items on a day to day basis. State Agencies should anticipate their needs on a four months' basis conforming to the allotment period and submit requisitions to the Purchasing Agent's Division on this basis, when practical. The submission of many small requisitions should be avoided. The "white copy" mentioned in (c) 3. below will not be required for items under $100.

(b) Emergency Purchases

State Agencies are authorized to make emergency purchases when necessary to protect life and property. However, when possible a telephone call should be made to the Purchasing Agent's Division in order to obtain permission to make such a purchase.

(c) Other Purchases with Special Permission

1. There will be times when a State Agency may find it desirable, in connection with a specific problem, to make a specific purchase without submitting a requisition to the Purchasing Agent's Division. Special permission may be granted for such a purchase by contacting the Purchasing Agent's Division and explaining the nature of the particular problem. This permission is usually in connection with a one-time purchase.

2. However, situations may arise where a continuing permission may be granted for the purchase of a particular item or items for a specific purpose. This type of special permission may be obtained only from the State Purchasing Agent, and must be in writing. However, such continuing permission will be generally given for a specific period of time but when no time is specified the authority will expire one year from the date of the written authorization.

3. In the case of an emergency purchase (par. (b) above) and in the case where special permission is granted (c) 1. above) your attention is directed to the fact that an additional copy of

your Departmental Purchase Order (CD 11) must be prepared on plain white paper. The Purchase Order number must be indicated on the upper right corner of the white copy. This white copy will also bear the notation "Bought with the special permission of (name of person) of the Purchasing Agent's Division on (date)" and, in the case of the Emergency Purchase, an explanation of the nature of the emergency should be included. The additional white copy of such orders will be directed to the Purchasing Agent's Division.

(d) Specific Items

There are also certain specific items, not described above, which state agencies may purchase without submitting requisitions to the Purchasing Agent's Division. Each state agency has been furnished with a booklet entitled "Subsidiary Accounts and Expenditure Code Numbers for Budgetary Control" which is necessary for the coding of all expenditures which may be made by an agency, under the State accounting system.

Therefore, the following is a list of subsidiary account numbers and, where necessary, object code numbers under which all purchases of materials, supplies or printing will be charged. This will be helpful in determining the items of materials and supplies which should be purchased through the Purchasing Agent's Division, together with those specific items which state agencies may purchase from whomever they wish without reference to the Purchasing Agent's Division. The "white copy" mentioned in (c) 3, will not be required.

-04 Food for Persons

All items listed under this subsidiary account are to be purchased through the Purchasing Agent's Division, except in the case of fresh, perishable food items, soft drinks, and where indirect payments applicable to food are involved.

(a) Fresh perishable items will include, Milk, Fish, Bakery products, Fruit and Vegetables except potatoes.

(b) Indirect payments would include Freight, Express and Storage.

-05 Clothing

All items listed under this subsidiary account are to be purchased through the Purchasing Agent's Division, without exception.

-06 Housekeeping Supplies and Expenses

All items listed under this subsidiary account are to be purchased through the Purchasing Agent's Division, except in the case where a payment for a service is involved. "Service" payments would include Outside Laundry Service.

-07 Laboratory and Medical Supplies and Expenses and General Care

The following items listed under this subsidiary account must be purchased through the Purchasing Agent's Division:

385 Laboratory Supplies and Expenses (except Towel Service)
*386 Medical and Surgical Supplies (except isotopes, narcotics, prescribed hearing aids, braces, special shoes, crutches, corsets, trusses, etc.)
387 Personal Supplies and Toiletries
399 Other Supplies and Expenses

* When vouchers are submitted covering the purchase of narcotics, the fact that the item is a narcotic should appear on the voucher.

-08 Heat and Other Plant Operations

The following items listed under this subsidiary account must be purchased through the Purchasing Agent's Division:

400 Fuel Oil, Heavy
401 Fuel Oil, All Other (except kerosene)
403 Refrigeration (except ice)
406 Coal, Bituminous
407 Other fuel (except wood)
411 Sewage Disposal (except direct charges for sewage disposal)
419 Other Supplies and Expenses

-09 Farm and Grounds

All items listed under this subsidiary account are to be purchased through the Purchasing Agent's Division, with the following exceptions:

Manure in bulk, dynamite, veterinary supplies, registration fees, and other services.

-10 Travel and Automotive Expenses

The following items listed under this subsidiary account must be purchased through the Purchasing Agent's Division:

501 Automotive Supplies and Expenses (except fees and service charges) (See also specialized services, Para.(d) motor vehicles)
505 Trailer and Truck Supplies and Expenses (farm)

-11 Advertising and Printing

All items listed under this subsidiary account are to be purchased through the Purchasing Agent's Division with the exception of Advertising, the Printing of Topographical Maps, blueprints, photostats, photographing, multigraphing, mimeographing, addressing, and printing of the Bureau of Accounts in connection with forms and books for cities and towns. (See also previous section under printing).

-12 Maintenance - Repairs, Replacement and Alterations

The following items listed under this subsidiary account number must be purchased through the Purchasing Agent's Division:

607 Farm Maintenance Repairs and Materials (except repair parts)
608 Maintenance Repairs and Materials (except Brick, 1000 and under, and repair parts)

-13 Special Supplies and Expenses

The following items listed under this subsidiary account number must be purchased through the Purchasing Agent's Division:

635 Exhibits (Materials)
636 Fish and Game Propogation Supplies
637 Guns Ammunition and Ordnance Supplies
641 License Plates, Badges, Tags, etc.

642 Manufacturing Materials and Supplies (Industries and Textile Industries)
643 Navigation and Nautical Supplies
652 Stores Materials
655 Education Supplies (except books purchased from the publisher)
679 Other Special Supplies and Expenses

-14 Office and Administrative Expenses

The following items listed under this subsidiary account number must be purchased through the Purchasing Agent's Division:

686 Stationery, Office and Administrative Supplies and expenses (except fees, books and magazine subscriptions purchased from the publisher, newspaper clippings and bottled water)
699 Other Office And Administrative Expenses

-15 Equipment

All items listed under this subsidiary account number are to be purchased through the Purchasing Agent's Division, without exception.

-16 Rentals

Rental purchase transactions involving equipment, machinery, furniture, materials, supplies, etc. must be processed through the Purchasing Agent's Division.

-18 Capital Outlay

The following items listed under this subsidiary account number must be purchased through the Purchasing Agent's Division:

771 Buildings - purchase of materials when work is to be done by force account labor.
773 Original Equipment and Furnishings
776 Public Works and Utilities - Purchase of materials to be furnished by the Commonwealth or to be used in force account.
789 Other Special Outlay involving a direct purchase of materials and supplies.

COMPETITION

It is a sound business practice, when possible and where practical, to obtain bids for materials and supplies on a competitive basis. This practice must be observed by State Agencies for the State's best interests. Evidence of such bids will be retained until after your annual audit by the State Auditor.

PERSONS NOT ELIGIBLE TO MAKE CONTRACTS WITH THE COMMONWEALTH

Your attention is invited to G. L. C. 268, S. 10 which provides in part that no member of the General Court, Executive Council or a State Department or Commission can be directly or indirectly interested in a contract in which the Commonwealth is a party.

SPECIALIZED SERVICES PROVIDED BY THE STATE PURCHASING AGENT

The Purchasing Agent provides specialized services to State Agencies, some of which are on a limited basis. They are described in the following paragraphs.

Typewriter Repairs

A typewriter repair service is furnished all state agencies. These agencies must requisition (three copies, one white, two green) this service, indicating whether or not the equipment is electrically operated.

Heat and Other Plant Operation

The service of a heating, power, and refrigeration expert has been provided and is available to all state agencies.. In order to obtain this service you may contact the Purchasing Agent's Division.

Central Mailing Room

A mailing service is provided for all state agencies located in thc State House, and ccrtain others located elsewhere in thc City of Boston, where practicable. A new state agency located in the City of Boston should contact the Central Mailing Room and discuss with them their mail problems.

Motor Vehicles

The services of the Purchasing Agent's Division Transportation analyst can be provided to advise on the garaging and maintenance of state-owned motor vehicles. In order to obtain this service you may contact the Purchasing Agent's Division.

All operators should be familiar with the rules and regulations published by the Director of Personnel and Standardization with regard to the use and operating costs of state-owned vehicles, as authorized by Section 28 of Chapter 7 of the General Laws, particularly:

Travel Rules and Regulations

Part 1. General -
T - 3 (Ch. 30, Sec. 25, G.L.)
Part 2. State-owned Automobiles
T - 8
T - 9
T - 10
Part 3. Privately-owned Automobiles
T - 11
T - 12

The comptroller will allow the following charges on the service station invoices:

INCLUDED	NOT INCLUDED
Gasoline	Antifreeze - permanent and alcohol
Oil	Chains
Oil Filter	Spreaders
Grease	Tires
Transmission and rear end lubricants	Tubes
Washing (once per month) sedans and coaches only	Spark plugs
Attaching chains	Polish
Tire repairs and changes	Batteries
Gasoline additives if required	Accessories
Radiator conditioner	
Emergency light repairs and parts	
Automatic transmission fluid	
Brake fluid	
Windshield wiper and repair	
Spark plug cleaning (replacement) emergencies	
Chain repairs and parts "	
Replacement antifreeze (2 quarts) "	
Quick charge of batteries "	

Testing Laboratory

The Purchasing Agent's Division maintains a testing laboratory in the State House for the purpose of testing materials purchased by the Purchasing Agent's Division. However, other material may be tested at this laboratory with the permission of the Purchasing Agent.

Surplus Materials and Supplies

Due to changing conditions, at times you may find a surplus of certain items of materials, supplies or equipment in the hands of your agency. In such event, you should notify the Purchasing Agent. The Purchasing Agent's Division endeavors to distribute surplus items among agencies who have use for them. Failing this, the Purchasing Agent's Division will recommend to you some other disposition.

Preparation of Purchasing Forms

With regard to the proper preparation of requisitions and Departmental Purchase Orders, Advices of Change, etc. you will find a very complete description of the necessary forms and their proper preparation in the Comptroller's Division Accounting Manual and Forms Register.

Standards and Preferences

The laws of the Commonwealth provide that vendors in order to do business with the state agencies must meet certain labor standards where printing, meats and clothing are involved. The law also provides that, other considerations being equal, preference be given by state agencies first, to supplies and materials manufactured and sold within the Commonwealth and second, to those manufactured and sold elsewhere within the United States.

Advice to Prospective State Vendors

The geographical location of many of the state agencies or divisions thereof is such that inquiries may be received from sales representatives of various business firms with regard to the buying practices and procedures of the State Purchasing Agent's Division of the Commonwealth of Massachusetts. It would be appreciated if you would advise these individuals that the State Purchasing Agent welcomes their interest and would encourage them to contact the Purchasing Agent's Division, in the State House, either by personal visit or by mail. They may request the Purchasing Agent to add their name or the name of their firm to the list of prospective bidders for items in which they are interested, and requested bid notices will be sent to them from time to time as the need arises. They should also be advised that proposals are posted on a bulletin board located next to the Purchasing Agent's Division offices in the State House. However, prospective vendors should also be advised that the statutes of the Commonwealth provide for certain standards and preferences.

Dissemination of Information

The control of purchasing on a state-wide basis is a burden of responsibility in which all levels of management within the state government share. In turn, proper control provides tangible benefits in increased efficiency and lower operating costs which may be shared by all state agencies. To this end, your State Purchasing Agent solicits your cooperation in furnishing those employees who are directly concerned with purchasing, information, rules and regulations which from time to time are distributed by the Purchasing Agent's Division in the form of contract award notices, bulletins and letters.